

**NOTICE OF PROPOSED CHANGES IN REGULATIONS OF THE CALIFORNIA
DEPARTMENT OF SOCIAL SERVICES (CDSS)**

**ITEM #1 California Work Opportunities and Responsibility to Kids (CalWORKs)
Exemption of Veterans Benefits and Related Allowances**

The California Department of Social Services (CDSS) hereby gives notice of the proposed regulatory action(s) described below. Any person interested may present statements or arguments orally or in writing relevant to the proposed regulations at a public hearing to be held on August 7, 2019, at the following address:

Office Building #8
744 P St. Room 103
Sacramento, California

The public hearing will convene at 10:00 a.m. and will remain open only if attendees are presenting testimony. The purpose of the hearing is to receive public testimony, not to engage in debate or discussion. CDSS will adjourn the hearing immediately following the completion of testimony presentations. The above-referenced facility is accessible to persons with disabilities. If you need a language interpreter at the hearing (including sign language), please notify CDSS at least two weeks prior to the hearing.

Statements or arguments relating to the proposals may also be submitted in writing, e-mail, or by facsimile to the address/number listed below. All comments must be received by 5:00 p.m. on August 7, 2019.

Following the public hearing CDSS may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. Except for nonsubstantive, technical, or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption to all persons who testify or submit written comments during the public comment period, and all persons who request notification. Please address requests for regulations as modified to the agency representative identified below.

Copies of the express terms of the proposed regulations and the Initial Statement of Reasons are available from the office listed below. This notice, the Initial Statement of Reasons and the text of the proposed regulations are available on the internet at [CDSS Public Hearings for Proposed Regulations \(http://www.cdss.ca.gov/inforesources/Letters-Regulations/Legislation-and-Regulations/CDSS-Regulation-Changes-In-Process-and-Completed-Regulations/Public-Hearing-Information\)](http://www.cdss.ca.gov/inforesources/Letters-Regulations/Legislation-and-Regulations/CDSS-Regulation-Changes-In-Process-and-Completed-Regulations/Public-Hearing-Information). Additionally, all the information which the Department considered as the basis for these proposed regulations (i.e., rulemaking file) is available for public reading at the address listed below. Following the public hearing, copies of the Final Statement of Reasons will also be available at the following address:

CONTACT: California Department of Social Services
Office of Regulations Development
744 P. Street, MS 8-4-192
Sacramento, CA 95814
Tel: (916) 657-2856, Fax: (916) 654-3286, Email: ord@dss.ca.gov

CHAPTERS

Manual of Policies and Procedures, Chapter 44-100

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

These proposed regulations revise references to the CalWORKs exemption of veteran benefits and related allowances. These changes are a result of Senate Bill (SB) 570 (Chapter 463, Statutes of 2017), which became effective January 1, 2018. SB 570 made very specific statutory changes to allow eligible CalWORKs families to have benefits received for education, training, vocation, rehabilitation, and related allowances from the United States Department of Veterans Affairs (VA) be exempt from consideration as income. The proposed regulations implement the following by referring to the statutes and noting that updates are published by CDSS through All County Letter (ACL) 17-125:

- Exemption for educational, training, vocation and rehabilitation benefits, and related allowances received from the VA.

CDSS conducted a review of existing regulations and evaluated the proposed regulations for any inconsistency or incompatibility. CDSS has found that these are the only regulations concerning the income exemptions in CalWORKs. Therefore, the proposed regulations are neither inconsistent nor incompatible with existing state regulations but do fulfill the intent of the Legislature in enacting SB 570.

COST ESTIMATE

1. Costs or Savings to State Agencies:
2. Costs to Local Agencies or School Districts Which Must Be Reimbursed in Accordance with Government Code Sections 17500 - 17630:
3. Nondiscretionary Costs or Savings to Local Agencies:
4. Federal Funding to State Agencies:

LOCAL MANDATE STATEMENT

These regulations do impose a mandate upon local agencies, but not upon school districts. The mandate is not required to be reimbursed pursuant to part 7 (commencing with Section 17500) of Division 4 of the Government Code or Section 6 of Article XIII B of the California Constitution because implementation of the regulations will result in no additional costs to local agencies.

STATEMENT OF SIGNIFICANT ADVERSE ECONOMIC IMPACT ON BUSINESS

CDSS has made an initial determination that the proposed action will not have a significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. This determination was made based on the proposed regulatory action, which was designed to impact only the CalWORKs population.

STATEMENT OF POTENTIAL COST IMPACT ON PRIVATE PERSONS OR BUSINESSES

CDSS is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

SMALL BUSINESS IMPACT STATEMENT

CDSS has made an initial determination that there is no impact on small businesses as a result of filing these regulations because these regulations are only applicable to state and county agencies and CalWORKs program applicants; therefore, they do not have a cost impact on the private sector, including small businesses.

STATEMENT OF RESULTS OF ECONOMIC IMPACT ASSESSMENT

The adoption of the proposed amendments will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses or create or expand businesses in the State of California. The implementation of this regulatory action will benefit CalWORKs applicants. There are no additional benefits for worker safety or the state's environment, as the regulations only affect individuals applying for the CalWORKs program.

STATEMENT OF EFFECT ON HOUSING COSTS

The proposed regulatory action will have no effect on housing costs.

STATEMENT OF ALTERNATIVES CONSIDERED

In developing the regulatory action, CDSS did not consider any other alternatives because there were no other alternatives proposed. SB 570 (Chapter 463, Statutes of 2017) specifically requires that CDSS exempt VA benefits as income in the CalWORKs program. These regulations will implement the exemption by referring to the appropriate Welfare and Institutions Code (WIC) sections which pertain to the exemption of veterans benefits and related allowances and by referring to ACLs issued by CDSS.

CDSS must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of CDSS, would be more effective in carrying out the purpose for which the regulations are proposed, or would be as effective as and less burdensome to affected private persons than the proposed action, or would be more cost-

effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

AUTHORITY AND REFERENCE CITATIONS

WIC sections 10553 and 10554 give CDSS the authority to write these regulations and WIC section 11250.9 is the statute CDSS is implementing through this regulatory change.

DEPARTMENT REPRESENTATIVE REGARDING THE RULEMAKING PROCESS OF THE PROPOSED REGULATION

| | | |
|-----------------|-----------------|----------------|
| Contact Person: | Oliver Chu | (916) 657-2586 |
| Backup: | Sylvester Okeke | (916) 657-2586 |